

A-E CONTRACTING BULLETIN 97-04, 13 MAR 97

SUBJECT: CREDIT CARD PURCHASE OF A-E SERVICES

1. Reference memorandum, CEPR-O, 5 March 1997, subject: Credit Card Program for Small Purchases, Addendum No.8 (enclosed).
2. The subject recent memorandum provided guidance for the purchase of A-E services using a Government credit card. Also, the EFARS was recently revised to add coverage on this subject; see EFARS 36.601-3 (S-100) and 36.602-5(a). This bulletin summarizes the key points in the referenced memorandum and EFARS.
3. Minor A-E services up to the micro-purchase threshold of \$2,500 can be quickly procured in less than a day by credit card. Examples of such services are: a structural inspection of a fire-damaged building, a small technical review, a simple feasibility study, the design of a small reroofing or paving project, or a boundary or topographic survey of a limited area. This is a great way to expeditiously satisfy small, and possibly urgent, customer requirements.
4. The local Chief of Contracting may designate individuals (cardholders) to purchase A-E services up to the micro-purchase threshold. The cardholder must have direct technical expertise in the A-E work being procured and have taken the "Architect-Engineer Contracting" PROSPECT course.
4. Since the credit card purchase does not exceed the competition threshold of \$2,500, public announcement in the Commerce Business Daily is not required. EFARS 36.602-5(a) allows the selection process to be done by one person with the appropriate expertise, which is usually the cardholder. The cardholder must assemble a list of at least three highly qualified firms, using sources such as ACASS, local knowledge or firms with current or recent contracts for similar work. Only small businesses can be considered since the purchase is below the set-aside threshold of \$85,000. The cardholder then evaluates the qualifications of the firms and determines the most qualified firm. The cardholder prepares and signs a brief selection report (typically only one paragraph) listing the firms considered and the reason(s) the firm selected for negotiations was the most qualified. No other approval of the selection is required.
5. The cardholder then contacts the most qualified firm, conveys the Government's requirements (verbally or by fax), requests a price proposal (verbally or by fax), and negotiates a fair and reasonable price. A Government estimate is not required. The cardholder then gives the A-E firm the Government credit card number to place the order. If negotiation with the most qualified firm is unsuccessful, negotiation may be initiated with the second ranked firm. Proposals shall not be requested from more than one firm at a time.
6. The credit card may also be used to purchase A-E services up to \$25,000. However,

typically only contracting officers have this level of credit card authority. Also, a local public notice must be posted on the contracting bulletin board for 10 days for contracts between \$5,000 and \$25,000 (FAR 5.101(a)(2)).

Encl

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DON EVICK
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REPLY TO
ATTENTION OF:

5 MAR 1997

CEPR-O (715)

MEMORANDUM FOR COMMANDER, ALL MAJOR SUBORDINATE COMMANDS,
DISTRICT COMMANDS, FIELD OPERATING ACTIVITIES,
AND LABORATORIES, ATTN: DIRECTORS/CHIEFS OF
CONTRACTING AND CREDIT CARD COORDINATORS

SUBJECT: Credit Card Program for Small Purchases, Addendum No. 8

1. Reference HQUSACE Credit Card Procedures dated 3 May 1995.
2. This Addendum No. 8 clarifies policy and provides guidance for credit card purchase of professional consulting and Architect-Engineering (A-E) services, and removes certain restrictions for activities on CEFMS in Paragraph No. 6, below. This guidance is especially applicable to those USACE Commands requiring expedited acquisition of outside consultants to perform Independent Technical Reviews (ITR) of engineering studies, reports, design memorandums, and plans and specifications; in conformance with recently directed technical and policy compliance review procedures of decision and project implementation documents.
3. A-E and related professional services are specifically defined in FAR Subpart 36.601-4(a). These include consulting services for ITR of implementation documents, boundary surveying, topographic mapping, geotechnical investigations, design reviews, and other related engineering QC/QA functions. These services may be procured by designated cardholders up to a \$2,500 limitation, and up to \$25,000 when specifically authorized and coordinated with the Contracting Division. Designated cardholders shall have direct technical expertise in the A-E work being procured. The technical cardholder is responsible for independently developing and documenting the scope of work, the budget cost estimate, and performing negotiations with the consultant to arrive at an agreed to price and scope of services. A cardholder procuring A-E type services shall also have completed the PROSPECT course "A-E Contracting." A-E type services can only be procured by cardholders approved by the activity's designated Agency/Organization Program Coordinator--see EFARS 36.601-3.
4. Consultants or firms must be small businesses (EFARS 36.601-3) and shall be selected based on their technical qualifications, expertise, competence, and capability to perform the work. Firms or consultants may be selected using a variety of sources, e.g., ACASS, professional listings, local knowledge, or from firms with current USACE fixed-price or IDC A-E contracts. Every effort shall be made to maintain an informal data base of, at minimum, three qualified firms for each type of consulting service, and to insure an equitable distribution of work among these consultants. Selections shall be strictly "qualifications-based" in the spirit of the Brooks A-E Act--in no case shall firms be queried for prices or asked to submit bids before selection. However, sequential discussions with firms may be performed when the cardholder is unable to successfully negotiate with a given firm--see FAR 36.606(f). EFARS 36.602-5 provides additional guidance on the short selection process and required documentation. Credit card purchase of A-E consulting services shall follow the Brooks A-E Act (40 U.S.C. 541-544, PL 92-582), and ER 715-1-16, "Selection of Firms for A-E Contracts." A brief memorandum in the contract file is sufficient to document the basis of the selection. Maximum flexibility and independence is intended for the card holder.

CEPR-O (715)


SUBJECT: Credit Card Program for Small Purchases, Addendum No. 8

5. This Addendum has been coordinated with the Directorate of Civil Works (CECW-EP-S), Directorate of Military Programs (CEMP-EC), and the Office of the Chief Counsel (CECC-C).

6. Under "Credit Card Monthly Procedures" on Page No. 10, Paragraph A. "Credit Card Payment Cycle Standards", the steps entitled "Approving Off forwards to Logistics" and "Logistics forwards to F & A Off" are deleted for all activities under CEFMS. These steps shall remain in effect for offices not yet converted. Immediately upon conversion, they shall be eliminated as the CEFMS software builds these approvals into the front end of the process.

7. Point of contact for this Addendum is Mr. Jerry A. Merchant, CEPR-O, telephone (202) 761-8643.

FOR THE COMMANDER:


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CF:
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